



Dear _____:

Welcome to the 2020 tax season. We look forward to working with you.

Once again, to make this year's tax season more efficient, we are offering a **10% discount on any tax return for which we receive all the necessary information on or before Wednesday March 31, 2021.**

To help you organize the information we require to prepare your 2020 personal income tax returns, **please complete the enclosed checklist.** Additional copies of the checklist can be downloaded from our website at <https://www.bbagroup.ca/personaltax/>. If possible, please send your information to us in one, or at most two, batches. **Please refrain from sending your tax slips to us in a number of emails as this becomes difficult to track and adds to the time necessary to coordinate and prepare your returns.** If you have late arriving slips please send them along in one email. If at all possible, please do not forward pictures of your tax slips taken with your smartphone, sending files this way may increase the cost to prepare your return, the best format to use for electronic files is PDF. Those who get their tax information to us in a timely and organized manner will have lower fees to pay.

Paperless delivery

We are pleased to offer a completely paperless e-Delivery option. Instead of mailing out an income tax package after filing your returns, **at your option**, we will:

- Scan the documents you've sent us to prepare your returns
- Compile a PDF package for you containing full copies of your returns and your supporting documents.
- Send the above PDF package to you via a SECURE document delivery service.

It is important to note that if this option is chosen, we will NOT be returning to you, nor retaining, your original paper documents. Therefore, if you are participating in eDelivery, you should ensure to download and store a permanent copy of the PDF transmitted to you in accordance with CRA record keeping requirements. If you have questions, please ask us.

If you opt-in to our paperless delivery, you will receive a link to download your family's tax packages at the following email address: _____ . Please contact us immediately if this email address requires correction. You can opt into paperless e-Delivery by checking the E-Delivery box on Page 1 of the enclosed checklist.

Important Items for the 2020 tax year:

1. Canada Emergency Response Benefit ("CERB"), Canada Recovery Benefit ("CRB"), Canada Recovery Caregiving Benefit ("CRCB"), Canada Recovery Sickness Benefit ("CRSB")
 - If you received any of the above income, you must report the amounts received as income. This income will be reported on a T4A slip issued by the government.
2. Home Office Expenses (employment expense due to Covid 19)
 - You can deduct home office expenses if you were required to work at home due to Covid 19. To claim using the "simplified method", please let us know the number of days you worked at home in 2020 (\$2 per day worked at home). No supporting documents are required.

- To claim using the “detailed method”, please complete Table #6 in our checklist and provide us your signed T2200 or T2200S from your employer. Please note that you may not claim mortgage interest, and only commission Employees may claim insurance and property taxes.
3. Sale of Principal Residence
 - Individuals who sell their principal residence must report the sale on their tax returns. Penalties may be applied for non-compliance or late reporting. Please note that this is just a disclosure requirement. There is no change in the underlying tax rules in the vast majority of cases.
 4. Foreign Income Verification Statement T1135
 - As in other years, if you own certain foreign property with a cost base more than \$100,000 CAD during the year, you will need to complete Form T1135. CRA allows a simplified reporting method for those who own foreign property with a cost base between \$100,000 to \$250,000 CAD. Foreign property with a cost base greater than \$250,000 requires detailed disclosure.
 - If applicable, please complete the “Foreign Property Supplementary Checklist” included in this package. You may download additional checklists from our website at www.bbagroup.ca. Please note that this form is due on the the same day as your personal tax return (April 30th in most cases) and carries potentially severe late filing penalties.
 5. Tax on Split Income (“TOSI”)
 - If you receive dividend income from a Canadian private company directly or indirectly through a trust, you may be subject to a higher Canadian tax rate with limited deductions and credits to offset this tax. If this situation applies to you, please contact us or your company’s accountant. Unless you advise us, we will take the position that the dividend received is not subject to TOSI.

We also want to remind you of the following:

- The deadline for 2020 RRSP contributions is **March 1st, 2021**.
- The deadline for declaration for the BC Speculation and Vacancy Tax is March 31st, 2021. For more details, please visit: <https://www2.gov.bc.ca/gov/content/taxes/property-taxes/speculation-and-vacancy-tax> or contact us.

Billing:

Should you choose to have us prepare your personal tax returns, there will be a separate billing to you. The amount billed is determined by the amount of time spent on your return(s) multiplied by our standard hourly billing rates. An estimate of the cost would be \$500 - \$800 for a typical couple or \$350 - \$500 for a typical individual. Additional schedules or more complex returns require more time and thus the cost increases accordingly. Any returns received after April 15th may be charged at an increased hourly rate.

Please note that we also keep track of any time we may have spent on your file during the year (e.g. if you called or emailed us with specific questions, we did some specific tax planning work for you, or we helped in responding to correspondence from the CRA) and this time will also be included on your tax bill at our standard hourly billing rates.

Finally, also enclosed is a letter designed to clarify the terms of our engagement as your tax preparer and the nature of the services we provide. Please review this letter, sign where indicated, and return to us with your tax information. Please contact us if you have any questions about this.

We look forward to assisting you in the preparation of your 2020 tax returns.

Yours truly,

BBA ACCOUNTING GROUP INC.



Per: Howard Bickford, CPA, CA



Per: Patrick A. Ruscitti, CPA, CGA, CFP



Per: Jess Hennan, CPA, CGA